

# CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BOARD OF ADMINISTRATION HEALTH BENEFITS COMMITTEE

#### **MEETING MINUTES**

October 16, 2007

The Health Benefits Committee met on Tuesday, October 16, 2007, in the Radisson Hotel & Conference Center, 2233 Ventura Street, Fresno, California.

The meeting was called to order at 9:35 a.m. with the following members present:

George Diehr, Chair
Priya Mathur, Vice Chair
Marjorie Berte
Terrence McGuire representing John Chiang
Rob Feckner
Debbie Endsley representing David Gilb
Steve Coony representing Bill Lockyer
Tony Oliveira
Charles Valdes

Other Board members present:

Kurato Shimada Maeley Tom

# AGENDA ITEM 2 – APPROVAL OF THE SEPTEMBER 11, 2007, HEALTH BENEFITS COMMITTEE MEETING MINUTES

The September 11, 2007, Health Benefits Committee meeting minutes were approved as presented.

Gregory A. Franklin, Assistant Executive Officer, Health Benefits Branch, provided information on two documents presented to the Board. One document that outline the General Motors/United Auto Workers agreement that was recently crafted, September 28, 2007 and the other document was regarding bill language released by the Governor on October 9, 2007, to the effect of the work that was going on in a special session entitled Health Care Security and Cost Reduction Act.

### AGENDA ITEM 3 – STATUS OF INTERIM BOARD HEALTH BENEFITS CONSULTANT

As an information item, Gregory A. Franklin, Assistant Executive Officer, Health Benefits Branch, provided an update on the September Board meeting where the Committee selected Watson Wyatt as the interim Board consultant. The Board thus approved Watson Wyatt as their consultant and instructed the staff to develop fiduciary language to be included in an amendment to the current Watson Wyatt contract. That language has been developed,

approved, and signed by CalPERS and Watson Wyatt. As of the date of the signing of the contract, the Board now has the services of Watson Wyatt as their interim consultant.

# AGENDA ITEM 4 – IMPLEMENTATION APPROACH FOR HEALTH BENEFITS SINGLE ADMINISTRATOR

As an information item, Marcine Crane, Division Chief, Office of Health Plan Administration, provided information on the implementation approach for a Health Benefits Single Administrator.

#### AGENDA ITEM 5 – PHARMACY BENEFIT MANAGEMENT EVALUATION

As an information item, Marcine Crane, Division Chief, Office of Health Plan Administration, provided information on the initiative to expand the Pharmacy Benefit Management Evaluation.

#### AGENDA ITEM 6 – HEALTH AND DISEASE MANAGEMENT INITIATIVE

As an information item, Marcine Crane, Division Chief, Office of Health Plan Administration, provided information from the May 2007 meeting of the Health Benefits Committee, on CalPERS staff's outlined plan for standardizing high quality disease management measures and reporting across both the HMO and PPO health plans as part of a comprehensive health and disease program.

#### AGENDA ITEM 7 – BLUE SHIELD NETVALUE IMPLEMENTATION

As an information item, Tom McCaffery, Blue Shield of California, provided information on Blue Shield NetValue. The Board of Administration approved Blue Shield to develop a specialized new health plan that would, through a smaller, more efficient network of providers, be offered along with their existing Access+ HMO.

### **AGENDA ITEM 8 – PERS SELECT IMPLEMENTATION**

As an information item, Steve Scott, Blue Cross of California, provided an update on the readiness of the Select PPO Program for CalPERS and Blue Cross activities during open enrollment.

### AGENDA ITEM 9 - ASSISTANT EXECUTIVE OFFICERS REPORT

Gregory Franklin reported briefly on open enrollment, public agency participation and the Health Benefits Branch staff's participation in the Employer Conference later this month.

# AGENDA ITEM 10 – PROPOSED AGENDA FOR NOVEMBER 14, 2007, HEALTH BENEFITS COMMITTEE MEETING

The proposed November 14, 2007, Health Benefits Committee Agenda was approved as presented.

## **AGENDA ITEM 11 - PUBLIC COMMENT**

There was no public comment.

The meeting was adjourned at 11:23 a.m.

The next meeting of the Committee is scheduled for November 14, 2007, in Sacramento, California, following adjournment of the Benefits and Program Administration Committee.

FRED BUENROSTRO
Chief Executive Officer